

**Date:** 9 September 2008

**To:** Councilmember Richard Conlin and the Environment, Emergency Management and Utilities Committee

**From:** Seattle Public Utilities Water System Advisory Committee

**Re:** Seattle Public Utilities 2009 – 2011 Water Rate Study

As a way of introduction, we are the members of the Citizen Advisory Committee to SPU's Drinking Water Line of Business. We encompass a broad spectrum of the citizenry including a stay-at-home mother, a writer, a small business owner, an accountant, a doctor, an architect, an attorney, and an engineer.

We have spent a portion of each of our monthly meetings for the past year learning about rates and the rate design process. We've received briefings on and discussed rate design, cash to CIP ratio, the water rate stabilization fund and other aspects of rate design that affect the 2009 – 2011 proposed increases in drinking water rates. We have seen statistics of other communities and their long term capital debt ratios (Seattle, WA 66%, Fort Worth, TX 30%, El Paso, TX and Omaha, NE 0%, etc.) and have concluded that passing an inordinate amount of debt along with less than optimal city bond ratings on to future generations will not reflect highly on our generation and may unduly affect our descendents.

In April, the committee submitted recommendations to you regarding the cash to CIP ratio and the water revenue stabilization subfund.

In July, Chuck Clarke presented the 2009 – 2011 water rate study to a joint meeting of the Water System Advisory Committee and the Solid Waste Advisory Committee. In August, we received a copy of the rate study after it was released to the mayor.

We have reviewed the increases requested in the water rate study and find them to be responsible to the needs of both the utility and its customers. They reflect a balance between necessity in the short term and awareness of risk in the long term.

We are aware that the rate increase is one of many budget issues you must take into consideration and that, despite our briefings, there are many factors influencing the budget of which we are unaware. We appreciate that these weighty decisions require a broad perspective and trust in you and your fellow council members to do your best.

Thank you for the opportunity to comment on the 2009 – 2011 water rate study.

Sincerely,

Eric Anderson  
Marilyn Bucsko  
Priscilla Call  
Rachel Cardone  
Valerie Cholvín  
Dick Follis

Tom Grant  
Alice Lanczos  
Dave Magorty  
Laura Firth Markley  
Frank Metheny  
Ron Rochon